

Joe and Mary McMurray are unsure of their tax liability for the current tax year and need assistance completing Form W-4. They do not have any dependents and will not itemize deductions. Joe's and Mary's estimated income is \$16,000 and \$17,000 respectively. They both have 20 pay periods left for this year.

Scroll down to complete Joe and Mary's *Two-Earner/Two-Job Worksheet*.

Without closing the PDF Window, return to the lesson screen and click Check My Answer.

Deductions and Adjustments Worksheet

Note. Use this worksheet *only* if you plan to itemize deductions, claim certain credits, or claim adjustments to income on your 2005 tax return.

- 1** Enter an estimate of your 2005 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions. (For 2005, you may have to reduce your itemized deductions if your income is over \$145,950 (\$72,975 if married filing separately). See *Worksheet 3* in Pub. 919 for details.) **1** \$ _____
- 2** Enter: $\left\{ \begin{array}{l} \$10,000 \text{ if married filing jointly or qualifying widow(er)} \\ \$7,300 \text{ if head of household} \\ \$5,000 \text{ if single or married filing separately} \end{array} \right\}$ **2** \$ _____
- 3** **Subtract** line 2 from line 1. If line 2 is greater than line 1, enter "-0-" **3** \$ _____
- 4** Enter an estimate of your 2005 adjustments to income, including alimony, deductible IRA contributions, and student loan interest **4** \$ _____
- 5** **Add** lines 3 and 4 and enter the total. (Include any amount for credits from *Worksheet 7* in Pub. 919) **5** \$ _____
- 6** Enter an estimate of your 2005 nonwage income (such as dividends or interest) **6** \$ _____
- 7** **Subtract** line 6 from line 5. Enter the result, but not less than "-0-" **7** \$ _____
- 8** **Divide** the amount on line 7 by \$3,200 and enter the result here. Drop any fraction **8** _____
- 9** Enter the number from the **Personal Allowances Worksheet**, line H, page 1 **9** _____
- 10** **Add** lines 8 and 9 and enter the total here. If you plan to use the **Two-Earner/Two-Job Worksheet**, also enter this total on line 1 below. Otherwise, **stop here** and enter this total on Form W-4, line 5, page 1 **10** _____

Two-Earner/Two-Job Worksheet (See Two earners/two jobs on page 1.)

Note. Use this worksheet *only* if the instructions under line H on page 1 direct you here.

- 1** Enter the number from line H, page 1 (or from line 10 above if you used the **Deductions and Adjustments Worksheet**) **1** _____
- 2** Find the number in **Table 1** below that applies to the **LOWEST** paying job and enter it here **2** _____
- 3** If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4, line 5, page 1. **Do not** use the rest of this worksheet **3** _____

Note. If line 1 is *less than* line 2, enter "-0-" on Form W-4, line 5, page 1. Complete lines 4-9 below to calculate the additional withholding amount necessary to avoid a year-end tax bill.

- 4** Enter the number from line 2 of this worksheet **4** _____
- 5** Enter the number from line 1 of this worksheet **5** _____
- 6** **Subtract** line 5 from line 4 **6** _____
- 7** Find the amount in **Table 2** below that applies to the **HIGHEST** paying job and enter it here **7** \$ _____
- 8** **Multiply** line 7 by line 6 and enter the result here. This is the additional annual withholding needed **8** \$ _____
- 9** Divide line 8 by the number of pay periods remaining in 2005. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2004. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck **9** \$ _____

Table 1: Two-Earner/Two-Job Worksheet

Married Filing Jointly						All Others	
If wages from HIGHEST paying job are—	AND, wages from LOWEST paying job are—	Enter on line 2 above	If wages from HIGHEST paying job are—	AND, wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above
\$0 - \$40,000	\$0 - \$4,000	0	\$40,001 and over	30,001 - 36,000	6	\$0 - \$6,000	0
	4,001 - 8,000	1		36,001 - 45,000	7	6,001 - 12,000	1
	8,001 - 18,000	2		45,001 - 50,000	8	12,001 - 18,000	2
	18,001 and over	3		50,001 - 60,000	9	18,001 - 24,000	3
				60,001 - 65,000	10	24,001 - 31,000	4
\$40,001 and over	\$0 - \$4,000	0		65,001 - 75,000	11	31,001 - 45,000	5
	4,001 - 8,000	1		75,001 - 90,000	12	45,001 - 60,000	6
	8,001 - 18,000	2		90,001 - 100,000	13	60,001 - 75,000	7
	18,001 - 22,000	3		100,001 - 115,000	14	75,001 - 80,000	8
	22,001 - 25,000	4		115,001 and over	15	80,001 - 100,000	9
	25,001 - 30,000	5				100,001 and over	10

Table 2: Two-Earner/Two-Job Worksheet

Married Filing Jointly		All Others	
If wages from HIGHEST paying job are—	Enter on line 7 above	If wages from HIGHEST paying job are—	Enter on line 7 above
\$0 - \$60,000	\$480	\$0 - \$30,000	\$480
60,001 - 110,000	800	30,001 - 70,000	800
110,001 - 160,000	900	70,001 - 140,000	900
160,001 - 280,000	1,060	140,001 - 320,000	1,060
280,001 and over	1,120	320,001 and over	1,120

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